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Strategic approaches for the business networks

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Abstract

This paper we present an approach pattern of the international markets, relating to complex nets in which these can be integrated and to strategies able to ensure their viability and success in different confrontations in such a complex world. Solutions for a market to increase in intensive and extensive plan are given strategic alternatives enfolding on each separate category, consists three vectors: market - network - strategy. We hope that this model might find concrete solutions for companies developing their activity as part of present markets and networks to be able to find ways to evaluate from one net to another, shaping in time dynamic, open and flexible markets.

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1. Introduction

A strategic, multilevel approach of the evolution (Chintakananda & McIntyre, 2011), of the companies on markets in continuous movement might lead to creation, development or entering into net of companies and international relations of production and exchange, generating also patterns of specific, strategic approach.

Market, category is identified (Neamtu & Neamtu, 2010), unincorporated, partially integrated, completely integrated, critical; early networks **for** each market primary, independent, mature, leader and specific strategies consist exportation, associated operating forms or contractual arrangements, international, strategic alliances, direct investments of capital. Policy options affecting market entry and development from one level to another is subject to market the power of network effects and the presence of a dominant model. We hope that this model might find concrete solutions for companies developing their activity as part of present markets and networks to be able to find ways to evaluate from one net to another, shaping in time dynamic, open and flexible markets.

2. Research method

The work method that is used to shape the four market categories and to define the four distinctive categories of market networks that this develops, have been made through an analyze – diagnostic of system, a method allowing a

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complex and complete analyze of the markets presentation and development, taking into account the modality of presenting the request and offer on these market categories, the intensification of exchange relationships, the influences of legislative, political, cultural, technical and economical factors, the analyze of each element on the marketing mixture: product, price, positioning and promotion in concrete situations appearing on market categories that have been identified depending on their development degree and on the integration in a certain type of corresponding market network.

Important authors from the European and American scientific literature, (Blankenburg & Johanson, J., 1992; Parkhe, 1993; Blankenburg, 1995; Johanson, L.G. & Mattsson, 1988; Salmi, 2000; Ellis, 2000; De Clercq, Danis & Dakhli, 2010), develop the term of *-strategic network-* a term seen as an ensemble of interactions inert-organizational, between the international companies.

Studies greatly ignore the problems for companies' attempting to connect to strategic networks. This net is characterized in a holistic manner, being sensible to the environment where it functions and to the context in which business relationships are developed (Toyne & Walters, 1993). It can be observed a more difficult way for the foreign companies to make network connection on the newly developing markets, as well as Asiatic markets or transition markets in Eastern Europe (for example, Estonia, Hungary, Romania).

3. Strategic market positions

Strategic market positions that the company might occupy, in the proposed context, are four: exportation markets or unincorporated markets, partially integrated markets, completely integrated markets, critical markets as in figure 1. Approaches the internationalization typology of the business environment and of the companies from the prism of the contextual environmental that exists on each market, introducing a temporal decision that (Johanson & Mattsson, 1988) is named network development stage. This temporal component it is identified at the level of the market, identifying for the four types of market development, four distinct network categories (Wan Omar M., Mohd Ali, M. N., Hussin, Z., & Abdul Rahim, H., 2009). The four types of markets that will develop market networks.

Each market type accounts for a specific network, so there are four types of networks developed around the four markets: primary networks, independent networks, mature networks, leader networks as in figure 1. The four types of networks developed on the structure of the four categories of market.

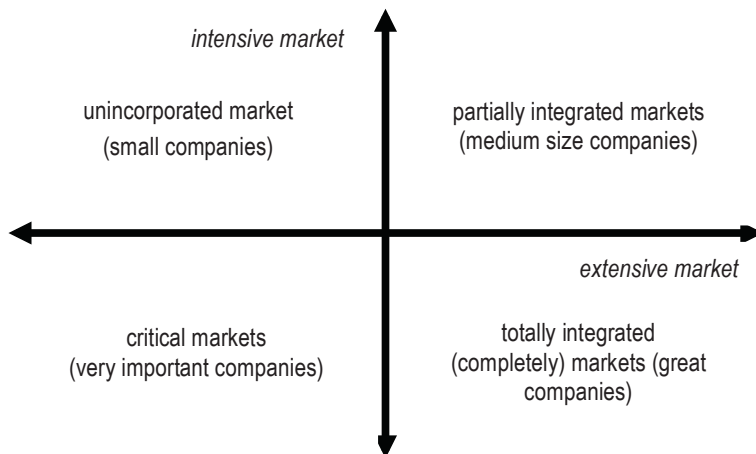


Figure 1
The four types of markets that will develop
Market networks

All these four types developed network structure of the four markets are shown in Figure no. 2. The four types of networks developed on the structure of the four categories of market:

- Primary networks at the level of the company there is a first category of companied developing when the internationalization degree is low on the market level and the size and inventiveness of the companies from the networks is a reduced one.

- Independent networks it is about much internationalized companies, desiring to enter on the market in development, even if the market is not a big one.

- Mature networks comprising several big sized companies and multitude of companies in correlation with great, internationalized companies. The structure of these networks is a well structured one, formed of many competitors occupying well-established positions (Wang W-C, Lin C-H, Chu Y-C, 2011) as part of the market and difficult to establish new positions as part of the market.

- Leader networks being a part of a net comprising many leadership networks, interdependent at global level, when the market is globalized.

From these markets it is ensured the maximum of earnings and incomes on which might depends the success but also the survival of the company. The decay of some critical markets can generate the bankruptcy of some global companies.

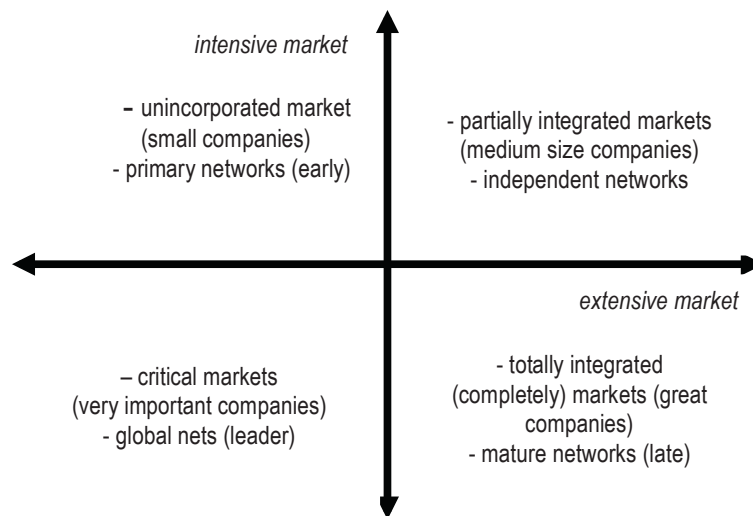


Figure 2
The four types of networks developed on the structure of the four categories of market

4. Conclusions

The most difficult transition from a market other non-integrated market is from to the partially integrated, using export strategies. The following passages are more able, commercial experience and saying the word:

- Exportation markets or unincorporated markets have a reduced capacity of capital absorption and are under the most reduced influence of the institutional factors, being the most difficult to control markets and organised from all markets. These are characterised by a great spread of the capitals but also of the consumer's categories, having a weak structuring and grouping of the request and the offer.

- Partially integrated markets represent another level of development and degree of integration in comparison

with the society wanting to penetrate on a certain market and of business developed by these. These are generally markets on which request is already formulated, being necessary only the diversity of this consumption and the expansion of a scale of products or fields of activity that the company might realize on these markets.

- Completely integrated markets able to manifest an increase in volume and an effective manifestation at the turn of all consumption groups and on the entire area of the market, transiting to a new, specific, level. These represent great importance markets for international business of the market, being markets acquired, from which the company gains capital and substantial earnings.

- Critical markets represent the maximum level of development for a market in the portfolio of market of a company. These markets are considered as national markets, being positioned under a direct lead of the company's headquarter of the company.

To develop a market to another and from one network to another, strategic alternatives specific for each of the 4 categories of markets and networks, may still be in number four: exportation, associated operating forms or contractual arrangements, international, strategic alliances, direct investments and of capital as in figure 3. Specific strategies for the four market types and the networks as part of which are developed model.

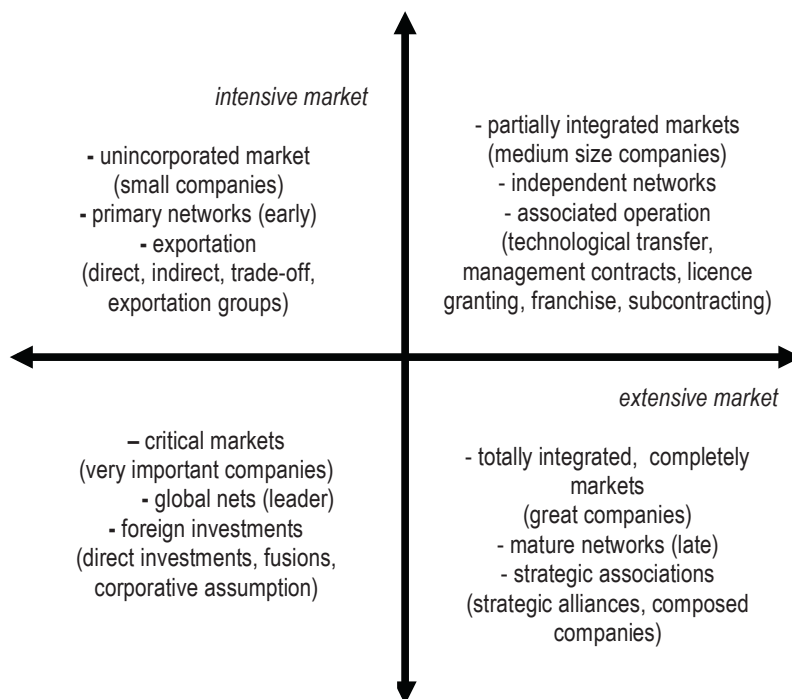


Figure 3

Specific strategies for the four market types and the networks
as part of which are developed

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